

Presentation to the State Employee Benefits Committee

Primary Care Legislation Implementation

Office of Value Based Health Care Delivery (OVBHCD)

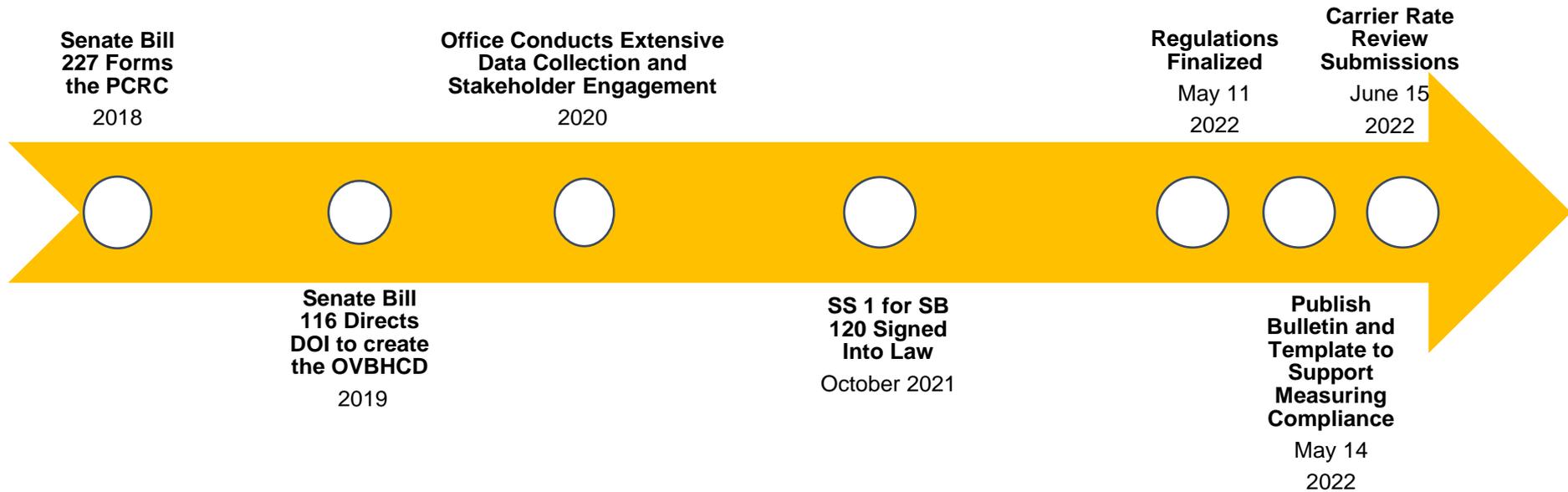
April 25, 2022



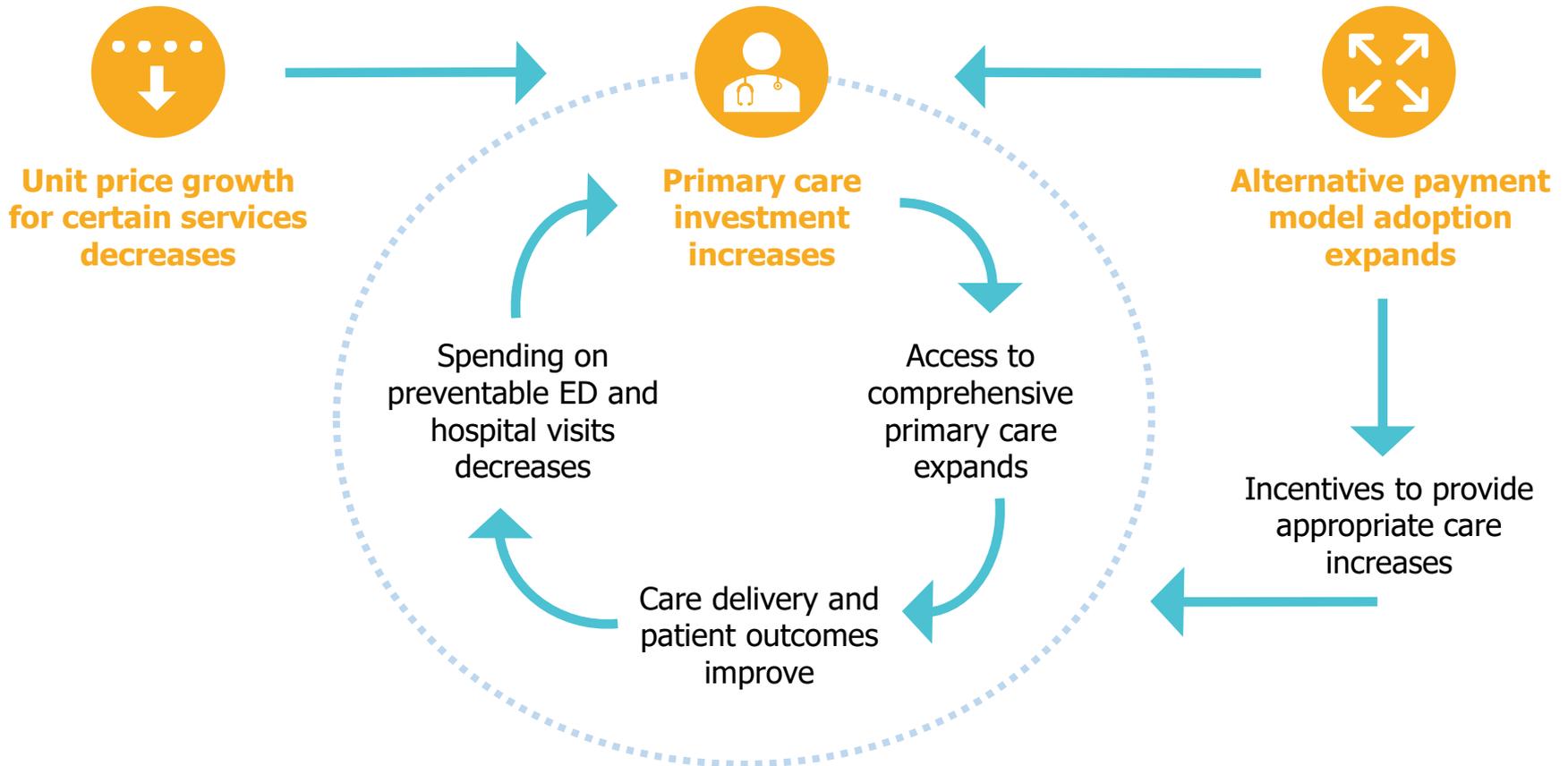
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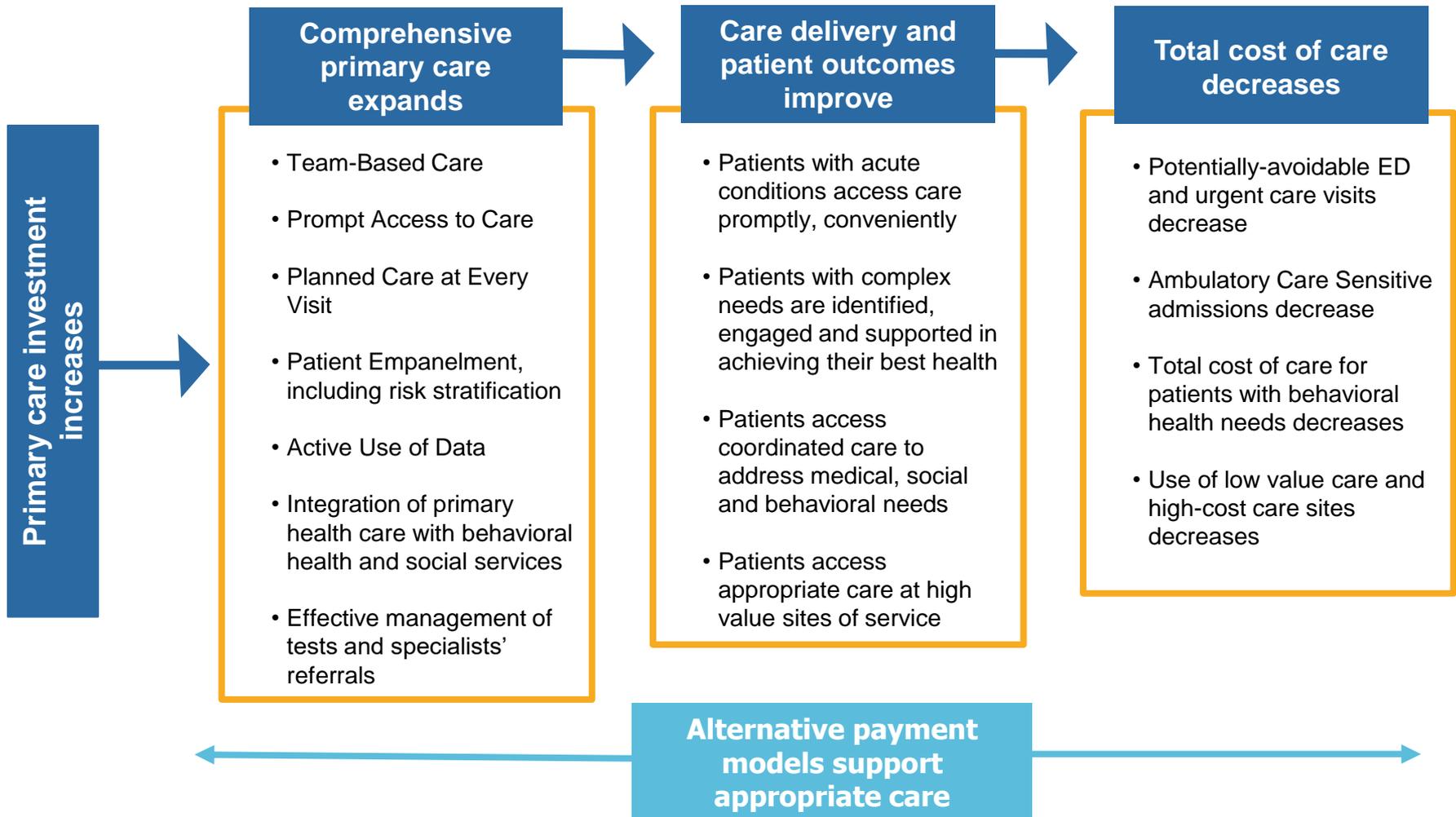
The Path to SB 120



Theory of Change



Primary Care Investment: The Opportunity for Better Care



Overview of Legislation and Requirements



- ▶ **Maintain Medicare Parity**
 - For Fee-for-Service and Non-Fee-for-Service Payments

- ▶ **Increase Primary Care Investment as a Percentage of Total Spend**
 - 2022 requirement = 8.5%
 - Stairstep increases to 11.5% by plan year 2025
 - Investment focused on DE residents and PCPs participating in care transformation
 - Carriers should move 75% of DE PCPs into care transformation programs by 2026

- ▶ **Limit Non-Professional Price Growth to Core CPI +1**
 - 3.7% in 2023, based on 36 month lookback period ending Jan 31, 2022

- ▶ **Expand Alternative Payment Model Adoption**
 - Carriers to use fixed payment methodology for inpatient/outpatient facility services by 2023
 - 50% of total cost of care in shared savings contracts and 25% of total cost of care in shared savings contract with downside risk by 2023; only applies to carriers with 10k DE members

PCPs Required to Engage in Care Transformation



- ▶ Focused primary care investment requirement designed to achieve robust system of primary care
- ▶ Carrier obligation is in aggregate across DE primary care providers engaged in care transformation; some will get more and some less
- ▶ Carrier obligation calculated based on total cost of care (medical only) for DE residents attributed to PCP participating in care transformation activities
 - A carrier primary care incentive program;
 - The Delaware Primary Care Model
 - The National Committee for Quality Assurance Patient-Centered Medical Home certification program
 - Any other standards as may be added by the Department and communicated annually to carriers by annual notice.

Need for Multi-Payer Alignment

- ▶ Sufficient primary care investment needed to enable providers to transform care delivery across patients
- ▶ Risk of self-insured purchasers shouldering additional hospital price growth to offset fully-insured limits
- ▶ Administrative burden and complexity of multiple networks; fee schedules

Contact Us



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